



## November 2023 MGFA Newsletter



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#### **It's Membership Renewal Time**

As the days draw closer to the end of the year, I'd like to thank you all for your continued interest and involvement in the MGFA. Next year will mark our 117th year of informing, educating, and advocating for the grain and feed industry in Minnesota and we could not do it without your membership support!

Membership renewals for 2024 have gone out in the mail and you will notice that our dues structure has changed. Since 2006, dues have been based on storage capacity for grain handlers and annual sales for feed mills. Starting in 2024, MGFA dues will be based on gross annual sales for both grain and feed facilities.

While we recognize this modification will mean a greater financial investment for you, the members, our goal is to remain a relevant, effective organization working on your behalf into the future.

If you have any questions or concerns, please contact the MGFA office at 952-758-3999 to speak with Laura.



## **MGFA's 117<sup>th</sup> Annual Convention & Industry Trade Show - February 11-13, 2024**

The MGFA invites all members and industry friends to attend the 117th Annual Convention & Industry Trade Show scheduled for **February 11 – 13, 2024 at the Arrowwood Resort & Conference Center in Alexandria, MN**. This will be the first year we've held this event in Alexandria, and we are excited to welcome everyone to this scenic resort on the shores of Lake Darling.

Our tentative agenda begins on Sunday, February 11 with an ice fishing tournament during the day, followed by the Super Bowl game and party to be held in the Rafter's Lounge. Monday morning will kick off with the annual meeting and a variety of speaker sessions for attendees. The trade show will run from noon until 6:00 p.m. with lunch served in the trade show, a happy hour later in the afternoon, and hospitality rooms that evening to round out the day. Tuesday morning, we will close out the convention with a hearty breakfast & our final speaker session. Registration materials & a full convention agenda will be available soon, so mark your calendars & plan to attend this annual event!

Hotel rooms are \$119/night and reservations can be made by calling the Arrowwood Resort at 320-762-1124. Please reference the Minnesota Grain & Feed Association when making your room reservations. The resort also offers cottages and townhomes (2BR, 3BR, 4BR or 6BR) for those interested in housing your entire group together. Please contact the MGFA office for rates.



## **MGFA Board Terms Expiring at the Upcoming Convention**

There will be three director positions on the MGFA Board of Directors whose terms will be expiring at the upcoming 117th Annual Meeting of the association being held during the annual convention and trade show in Alexandria. The **District 4** position, currently represented by David Estrem, farmer/director from Central Farm Service, is a restricted seat and only open to a farmer/director from a local cooperative member. After 28 years on the MGFA Board of Directors, Mr. Estrem has decided not to run for re-election to the board. A candidate has stepped forward for that position, however additional candidates are encouraged & welcome to run. The **District 1** position, currently represented by James Hardy, manager of CHS Northern Grain, is open to any owner, manager or employee of a member firm. Mr. Hardy has indicated he will run for re-election to the board. The **District 1 or 2 position**, which is currently vacant, is a restricted seat and only open to a farmer/director from a local cooperative member.

If you have an interest in becoming a member of the MGFA Board of Directors, or know of someone who would be interested, please contact the MGFA office to speak with Laura Lemke, MGFA Executive Director.



## Call For Resolutions

All MGFA members are asked to consider an issue, problem, or concern that you feel the association should address in the upcoming year. Major policy guidance for the association comes through the review and acceptance of resolutions by delegates at the MGFA Annual Meeting. Members are encouraged to submit policy guidance suggestions ASAP or no later than January 5, 2024, so that we have ample time to review submissions before formally drafting resolutions for delegate consideration at the MGFA Annual Meeting scheduled for February 12, 2024. Resolution suggestions can be emailed to MGFA Executive Director Laura Lemke at [laura@mgfa.org](mailto:laura@mgfa.org).



## MGFA Sustaining Sponsor Spotlight – CHS, Inc.



The MGFA would like to spotlight our 2023 Sustaining Sponsor firms for their generous contributions to the association. The Sustaining Sponsorship program allows our industry friends to be promoted as sponsors at MGFA's events all year long. This week we'd like to feature our Silver Sponsor, **CHS, Inc.**

At CHS, their purpose is to create connections that empower agriculture. CHS is a diversified global agribusiness cooperative owned by farmers and local cooperatives across the United States. First organized in 1929, CHS employs more than 10,000 dedicated people around the globe who provide their owners and customers with a strong, efficient supply chain, global market access and inputs.

As a farmer-owned cooperative, CHS connects growers to consumers around the world. They purchase grain from a network of cooperatives and farmer-owners and match it with the needs of domestic and global food and feed customers in 65 countries. CHS also manufactures and distributes a variety of Cenex® brand energy products and offers crop inputs through wholesale and retail operations in more than 450 communities in the United States to help farmers grow healthy, profitable crops.

***The MGFA greatly appreciates the generous sponsorship of CHS, Inc. and all of our Sustaining Sponsors for their support of the various programs and services provided by the Association. Thank You!***



## Central Minnesota Grain Elevator Fire Brings Out 90 Firefighters

FERGUS FALLS, Minn. — Six central Minnesota fire departments battled a fire that engulfed a grain dryer at the Farmers Elevator on Sunday, Nov. 12.



The fire was reported at 6:31 p.m. on Sunday at the elevator, which is located at 406 East Junius Avenue, just southeast of the city's downtown, according to a Fergus Falls Fire Department news release.

Arriving crews noticed the grain dryer was on fire and there was risk of flames spreading to the wooden structure of the elevator. Fergus Fall Fire Chief Ryan Muchow said quick water application prevented the fire from extending to the wood constructed elevator, however it took time to clear the dryer of burning debris. Fergus Falls crews were on scene for 5 hours.

Muchow shared that the fire was unintentional. Drying beans was the cause. No damage estimate was yet available.

Joining Fergus Falls Fire Department on scene were Elizabeth and Underwood departments for automatic aid. Mutual aid was requested from Dalton, Breckenridge and Perham departments as well.

During the fire, smoke from the scene caused a portion of the city to shelter indoors to avoid the conditions outdoors for about 2 hours.

At the peak of the incident, 90 firefighters were on scene, according to a press release.

*Source: Agweek*



## CHS Reports Strong Fiscal Year 2023 Earnings

CHS Inc., the nation's leading agribusiness cooperative, has reported net income of \$1.9 billion for the fiscal year ended Aug. 31, 2023, compared to \$1.7 billion for fiscal year 2022.

Key drivers for fiscal year 2023 financial results include:

- Consolidated revenues of \$45.6 billion for fiscal year 2023 compared to \$47.8 billion for fiscal year 2022.
- Our Energy segment delivered strong earnings, reflecting continued favorable market conditions in our refined fuels business.
- In our Ag segment, robust meal and oil demand contributed to higher earnings in our soybean and canola processing business.
- Our equity method investments performed well, particularly CF Nitrogen and Ventura Foods.

“The support of our member cooperatives and farmer-owners, dedication of our employees, exceptional operational performance and favorable market conditions enabled us to achieve the strongest earnings in our history during fiscal year 2023,” said Jay Debertin, president and CEO of CHS Inc. “As a result, CHS intends to return \$730 million in cash patronage and equity redemptions to our member cooperatives and farmer-owners in fiscal year 2024, demonstrating our commitment to sharing profits with the producers, local cooperatives and rural businesses that work with us to help feed people around the world.

“The support of our member cooperatives and farmer-owners, dedication of our employees, exceptional operational performance and favorable market conditions enabled us to achieve the strongest earnings in our history during fiscal year 2023,” said Jay Debertin, president and CEO of CHS Inc. “As a result, CHS intends to return \$730 million in cash patronage and equity redemptions to our member cooperatives and farmer-owners in fiscal year 2024, demonstrating our commitment to sharing profits with the producers, local cooperatives and rural businesses that work with us to help feed people around the world.

“Our shared success showcases the unique power of the cooperative system to keep adapting and advancing through the uncertainties that can come with agriculture. We will continue to collaborate, innovate and invest to meet the growing global demand for agricultural products,” Debertin added. “A diversified portfolio, coupled with strategic investments in supply chain capabilities and emerging market opportunities, positions CHS to create a better company for the future and to maximize value for our owners and customers.”

## **Fiscal Year 2023 Business Segment Results**

Fiscal year 2023 segment results are:

### **Energy**

Pretax earnings of \$1.1 billion represent a \$458.9 million increase versus the prior year and reflect:

- A significant increase in our refined fuels income due to higher refining margins and favorable pricing of heavy Canadian crude oil — partially offset by the impact of decreased production volumes at our Montana refinery due to major planned maintenance
- Higher margins in our propane business attributed to favorable market conditions

### **Ag**

Pretax earnings of \$411.8 million represent a \$245.8 million decrease versus the prior year and reflect:

- Decreased margins for wholesale and retail agronomy products, which experienced market-driven price declines compared to historically high prices in the previous year
- Lower margins for ethanol as market prices declined
- Negative impact of mark-to-market adjustments on grain and oilseeds
- Margin increases in our oilseed processing business, bolstered by strong meal and oil demand

### **Nitrogen Production**

Pretax earnings of \$260.8 million represent a \$217.2 million decrease versus the prior year due to lower equity income from our CF Nitrogen investment attributed to decreased market prices of urea and UAN.

### **Corporate and Other**

Pretax earnings of \$259.8 million represent a \$201.9 million increase versus the prior year and reflect, among other factors, increased equity income from our Ventura Foods joint venture, which experienced more favorable market conditions for edible oils, and increased interest income.

*Source: Croplife*



### **Red Wing Awarded \$1.99 Million in Port Infrastructure Development Funding**

The Red Wing Port Authority and City of Red Wing will receive \$1.99 million in grant funding to complete port improvements at two industrial sites.

The first component of the project is the repair and rehabilitation of the Little River Bulkhead. Little River Bulkhead is used for unloading bulk commodities from barges, and repairs are necessary to maintain the bulkhead and its dock's long-term integrity and functionality.

The second component of the project is to replace four barge mooring clusters that are adjacent to Red Wing Grain's Mississippi River barge dock wall. The clusters are leased to Red Wing Grain, who uses them for barges carrying corn and soybeans after they have been loaded. The grant funding will allow damaged clusters to be replaced and for the clusters to be realigned for improved navigation.

<http://www.red-wing.org/CivicAlerts.aspx?AID=713>



### **A Shift in the U.S. Soybean Market Brings New Opportunities for Soybean Meal Exports in the Pacific Northwest**

An exciting change is taking place in the soybean industry that will mean new markets for U.S. farmers. The U.S. currently exports between 55% to 60% of the total soybean crop each year on a volume basis, but now the industry is seeing a shift due to expanding U.S. soybean processing capacity.

The Pacific Northwest port of Grays Harbor in Aberdeen, Wash., is an important infrastructure link for U.S. farmers getting their product to markets in southeast Asia. Grays Harbor focuses primarily on soybean meal brought in via rail from crush facilities in the northwestern Corn Belt.

"We're the largest soybean meal exporter on the west coast," says Gary Nelson, executive director at the port. "So, we found a niche that works for us."

The meal is loaded on ships destined for export customers in Southeast Asia according to Mac Marshall, vice president of market intelligence, United Soybean Board.

"The Philippines is our No. 1 overseas export destination," Marshall says, "but there are, of course, a number of other countries in that region where there's strong demand for soybean meal to support domestic animal agriculture and aquaculture places like Vietnam, places like Indonesia."

The port will play an even more vital role in the near future as the soybean export market sees a shift due to expanding soybean processing capacity, Marshall adds.

"If you look at all the company announcements that have been public today, we're looking at roughly a 30% expansion maybe a shade higher than that, in the U.S.," he says.

Those companies are seeing growing demand for biofuels such as renewable diesel and sustainable aviation fuel made from soybean oil.

"We're going to have a lot more meal available for export as a result of that expanded crushing capacity," Marshall says.

To prepare for that transition, soybean farmers are working with the port and Midwest soy processor AGP to make needed infrastructure improvements including a new meal loadout facility.

"AGP approached us just about two years ago, with the idea that the demand for meal is going to be creating a surplus of soybean meal," Nelson says, "and we started talking about planning for increasing our ability to export soybean meal out of the port of Grays Harbor."

Soybean producers in the northwest Corn Belt and nationally have also invested in these improvements because they realize the importance of infrastructure.

"So, for farmers to really capitalize upon this and get the biggest value in return possible for their crop each year, that requires efficiency of transportation and debottlenecking," Marshall says. "And that means we have to have efficient and higher capacity ports for unloading meal and putting it on the ships and getting that into export channels."

There's also a push by the soybean industry and AGP to expand sales in existing markets and develop new homes for soybean meal according to Belinda Burrier, a farmer from Maryland and director on the United Soybean Board.

"So, USB USSEC, WISHH, we're all working together," Burrier says. "It's a great partnership. We're building new markets and expanding the existing market so that we can find a place for all of our soybean meal to go."

"AGP is also out trying to stir up business," Nelson adds. "We've shipped to all those places in Southeast Asia before, but they're also working on developing their market as well."

Burrier says market expansion and infrastructure improvements are important for her bottom line by improving basis and the cash prices she receives for her soybeans.

*Source: Farm Journal*





## We've Moved!

The MGFA office has relocated to a new address in New Prague as of November 1. Please update our address to: **125 W. Main Street, New Prague, MN 56071**. Our phone number and fax numbers have stayed the same, but we would appreciate it if you shared this update with your accounting personnel and others so that anything mailed to us will find us in a timely manner.



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